

## Message Text

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21

ACTION EA-09

INFO OCT-01 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 EB-07 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06

SAM-01 OES-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-07 PA-01

PRS-01 /101 W

----- 127371

R 040634Z AUG 76

FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC 8678

AMCONSUL MELBOURNE

AMCONSUL SYDNEY

AMEMBASSY TOKYO

AMCONSUL BRISBANE

LIMITED OFFICIAL USE CANBERRA 5624

E.O. 11652: N/A

TAGS: EMIN, ENRG, AS

SUBJ: AUSTRALIA'S COAL EXPORT LEVY

REF: STATE 269982 (1975), CANBERRA 7878, 7910 (BOTH 1975)

1. PRESS REPORTS THAT THE GOA WILL ANNOUNCE IN THE AUGUST BUDGET MESSAGE THE PHASING OUT OF THE COAL EXPORT LEVY. IN MAY, NATIONAL RESOURCES MINISTER ANTHONY, WITH THE SUPPORT OF OTHER COMMONWEALTH MINISTERS, STATED PUBLICLY THAT HE WAS OPPOSED TO THE COAL LEVY AS IT WAS A BARRIER TO DEVELOPMENTAL PROGRESS IN THE COAL INDUSTRY. THE TREASURY, HOWEVER, OPPOSES THE REMOVAL OF THE LEVY ON FISCAL GROUNDS.

2. WHEN QUERIED BY EMBOFF, DEPT. OF NATIONAL RESOURCES OFFICIALS WOULD NOT COMMENT ON POSSIBLE GOA ACTION CONCERNING THE COAL LEVY, OTHER THAN TO SAY THAT THE COAL LEVY  
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WAS A BUDGET MATTER AND WE WOULD HAVE TO WAIT FOR THE

BUDGET MESSAGE TO BE PRESENTED.

3. COAL INDUSTRY SOURCES TOLD EMBOFF THAT THE COAL LEVY WOULD BE REDUCED BY \$2 ANNUALLY AND WOULD BE NON-EXISTENT BY THE TIME NEW COAL PROJECTS COME ON STREAM. REMOVAL OF THE COAL LEVY WOULD HAVE NO IMMEDIATE EFFECT ON AUSTRALIAN COAL EXPORTS; THAT IS, COAL EXPORT PRICES WOULD NOT BE REDUCED TO MAKE AUSTRALIAN COAL MORE COMPETITIVE INTERNATIONALLY.

4. THE INCREASED REVENUE THAT WOULD ACCRUE TO COAL COMPANIES AS A RESULT OF THE REMOVAL OF THE LEVY WOULD THEN ENABLE COMPANIES TO PROCEED WITH DEVELOPMENT OF NEW COAL PROJECTS. IT IS VITAL TO GET NEW COAL VENTURES ON STREAM TO ENABLE AUSTRALIA TO INCREASE COAL EXPORTS TO JAPAN BY 1980 TO TAKE ADVANTAGE OF THE EXPECTED ECONOMIC RECOVERY IN JAPAN.

5. COMMENT IT IS VERY PROBABLE THAT THE COAL LEVY WILL BE PHASED OUT IN THREE YEARS. NO SPECIFICS ARE YET AVAILABLE ON WHAT TACTIC THE GOA WILL USE TO REMOVE THE LEVY.  
HARGROVE

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** COAL, MINING INDUSTRY, TAXES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 04 AUG 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** BoyleJA  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976CANBER05624  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Office:** ACTION EA  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 STATE 269982, 76 CANBERRA 7878  
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**Review Authority:** BoyleJA  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 21 MAY 2004  
**Review Event:**  
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EO Systematic Review  
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**Review Transfer Date:**  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** AUSTRALIA'S COAL EXPORT LEVY  
**TAGS:** EMIN, ENRG, AS  
**To:** STATE MELBOURNE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006